

UNDERSTANDING YOUTH CHOICES IN HOUSE RENTING AND BUYING DECISIONS: A SYSTEMATIC REVIEW

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Abstract. Deciding on purchasing or renting a house are two significant financial decisions as it involves a large proportion of one's expenses, specifically to the youth. Although the property market price index in Malaysia statistically shows an increase every year as observed by the National Property Information Centre (NAPIC), demand for purchase still remains stagnant in the housing market. With inflation and the ringgit's depreciation, purchasing or renting a house possesses difficulties for undergraduates to consider after they have completed their studies. Previous published literature on house decision is more focused on employed individuals, investors and green homes, leaving a gap in the study of undergraduates students, where their perspectives are limited to assess. As it is prevalent to understand their perspectives, this research aims to fill a research gap by identifying the factors that influence undergraduates to purchase or rent in residential properties with thematic analysis. Literature search on two reputable databases identified 33 closely related articles to the research area, later filtered to 13 articles fit for analysis. The results of thematic analysis suggest three themes; location suitability, housing preferences and financial stability. The results contribute to the understanding of undergraduates' perspective on housing and renting issues that might have an effect on the real estate market demand and supply policy and interventions, specifically on the residential real estate market signifying the present state of research.

Keywords: *housing, purchase decision, search string, systematic review*

Introduction

The issue of renting and owning a house is well-known nowadays in Malaysia, especially among new home buyers who are young people. The problem for this issue is related to the decision that youths need to make whether they want to rent or own a home based on factors considered such as long and short term plans, living needs, household income and housing market conditions. This depends on the youth themselves and their purpose of renting and owning the house. According to Hasan et al. (2022), the purchase decision on housing property is a conclusion after consideration of buying a house or real estate. With the current economic situation being less stable and the state of real estate market values increasing, it simultaneously heats up the real estate issue. Based on Sobieraj et al. (2023), someone may need to consider many factors when deciding to buy a house because it is the most expensive expense for a household. This is because buying a house is a big decision that involves substantial financial commitment and long-term implications in life. It is difficult for them to choose the right decision and this is to ensure that new home owners do not have to bear their financial burden. Because of that, Sohaimi (2021) has stated in her research that renting is always assumed as an alternative to homeownership when the household lacks affordability to buy a house in the current market as the price skyrocketed. Although some research has been done on the factors of renting or owning a house, the literature focused on green residential and employed respondents but is lacking on the youth's

perspective. At the moment, the youth in Malaysia is between the age of 18 to 40 years. Although there will be a new age limit of youth which will come into force on the first of January 2026 (Awang, 2023). This study focuses more on observation and in-depth study of the factors that are considered by the youth today, especially in renting or owning a house. By determining the attributes that could influence youth decision to make a house purchase or rent a house, this research aims to provide a systematic review of the closely relevant attributes between renting or buying a home for youth which in turn sets the stage for a detailed investigation of this critical decision in real estate today.

Results and Discussion

This review is guided by the Preferred Reporting Items for Systematic Reviews and Meta Analysis, (PRISMA) Statement 2020. This literature search string method provides a comprehensive and in-depth grasp of the research domain. PRISMA assists the researcher to distinctly report the literature search procedures which include four stages; the identification of relevant literature, the selection of relevant literature, the appraisal of the relevant literature and finally the synthesis of the included literature. Not only guiding the researcher to identify relevant literature to the research area, this guideline also helps define clear research questions that enable systematic research (Mudin et al., 2024; Salam et al., 2022). Above all, the PRISMA 2020 statement allows a precise search of terms relevant to the research area. The procedure includes identification of relevant literature, selection of relevant literature, appraisal of relevant literature and synthesis of the included literature, as shown in *Figure 1*. First procedure begins with the identification of the relevant literature. The domain of housing and rental are wide in terms of definitions and conceptualisations, thus the relevancy of previous publications were identified using the article titles, abstract and keywords search. The identification of relevant literature on purchase and rent a house issues was based on two reputable research databases; Scopus and Web of Science for relevant literature search. The justifications of conducting literature search via these two databases are journal articles that are peer reviewed of more than 25,000 articles, multi-disciplinary research areas, rigorous journal evaluation that meets certain quality standards, focus on primary research from publications and easy to add limit or exclusion criteria to help refine literature searches and narrowing research topics (Saraf et al., 2023). *Table 1* shows the history of literature searches for Scopus and Web of Science databases.

Table 1. Keywords search string.

Databases	Keywords	Results
Scopus	TITLE-ABS-KEY(("house" OR "housing" OR "residential" OR "home") AND ("purchase" OR "buying" OR "ownership") AND ("rental" OR "rent") AND ("intention" OR "motivation" OR "undergraduate student" OR "university student"))	19
Web of Science	TS = (house OR housing) AND TS = (purchase OR rental) AND TS = (intention OR decision OR motivation) AND TS = (university student OR undergraduate university student)	13



Figure 1. Review procedures.

Next is the selection of the relevant literature. The selection of relevant literature begins with the articles evaluation by the authors to ascertain the acceptability of the screened literature for review. Authors only select literature with empirical evidence or reviews that are peer reviewed. In addition, the language of the literature was limited to the English language. Following this, the authors evaluated the literature abstracts to verify for empirical evidence or review methods. This evaluation resulted in the exclusion of several articles that are not relevant for the research area. As a result, a total of 13 articles were verified and relevant for the appraisal stage. Afterwards comes the appraisal of the selected literature. At this stage, the articles were assessed by reading the full-text in depth to ascertain the appropriate attributes and its descriptions. Table 2 summarises the attributes that could influence the intention of purchase or rent among university undergraduate students. Lastly, The relevant literature was synthesised using thematic analysis. During this analysis, the authors entail repeated reading to gain data insights for further interpretation. A brief description of the attributes from the reading will assist in the formulation of codes. Next the coded data was organised accordingly, for example if there are two different codes but with shared meaning, they will be organised into one similar code. Lastly, the produced codes of the attributes will be analysed and discussed. The coded data was tabulated into three main themes as shown in Table 3.

Table 2. Matrix of the extracted appraised articles.

No.	Attributes	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Facilities and amenities provided		/			/	/	/	/	/				/
2	Road accessibility	/		/		/	/	/						
3	Neighbourhood and surroundings	/	/		/	/	/	/	/					/
4	Location with Internet Connectivity		/						/			/	/	
5	Territorial location (urban-rural)	/				/			/	/				
6	House development design concept	/	/	/	/	/	/							
8	House orientation			/								/		
9	Financial commitment	/	/		/		/							
10	Country's economy's stability	/	/		/									
11	Housing price	/			/				/					
12	Government initiatives on home ownership	/	/			/								

Note: 1=Luong et al. (2024); 2=Zheng et al. (2019); 3=Hasan et al. (2022); 4=Sohaimi (2021); 5=Mustapa and Razib (2023); 6=Mang et al. (2020); 7 = Muhammad Zamri et al., (2021), 8=Md (2025); 9=Ismail et al. (2021); 10=Emma (2025); 11=Ng (2022); 12=Barnert et al. (2021); 13 = Aksel and İmamoğlu (2020)

Table 3. House renting and purchase decisions themes and attributes.

Code	Attributes	Sources
Theme 1: Location		
L1	Facilities and amenities	Zheng et al. (2019); Mustapa and Razib (2023); Mang et al. (2020); Muhammad

L2	provided Road accessibility	Zamri et al. (2021); Md (2025); Ismail et al. (2021); Aksel and İmamoğlu (2020) Luong et al. (2023); Hasan et al. (2022); Mustapa and Razib (2023); Mang et al. (2020); Muhammad Zamri et al. (2021);
L3	Neighbourhood and surroundings	Luong et al. (2023); Zheng et al. (2019); Sohaimi (2021); Mustapa and Razib (2023); Mang et al. (2020); Muhammad Zamri et al. (2021); Md (2025); Aksel and İmamoğlu (2020)
L4	Location with internet connection	Zheng et al. (2019); Md (2025); Ng (2022); Barnert et al. (2021)
L5	Territorial location (urban- rural)	Luong et al., (2023); Mustapa and Razib (2023); Md (2025); Ismail et al. (2021)
Theme 2: House Preferences		
HP1	House development design and concept	Luong et al. (2023); Zheng et al. (2019); Hasan et al. (2022); Sohaimi (2021); Mustapa and Razib (2023); Mang et al. (2020)
HP2	House orientation	Hasan et al. (2022); Emma (2025)
Theme 3: Financial stability		
F1	Financial commitment	Luong et al. (2023); Zheng et al. (2019); Sohaimi (2021); Mang et al., (2020)
F2	Country's economy's stability	Luong et al. (2023); Zheng et al. (2019); Sohaimi (2021)
F3	Housing price	Luong et al. (2023); Sohaimi (2021); Md (2025)
F4	Government initiatives on home ownership	Luong et al. (2023); Zheng et al. (2019); Mang et al. (2020)

Attributes of the house renting and buying decisions

The range of attributes served as a reference for this study, which aimed to identify the attributes on house purchases and rental decisions. Guided with PRISMA literature review methods, three main codes which later formed as the main themes of house purchase and rental decision attributes; namely location suitability, housing preferences and financial stability.

Location suitability

Theme 1 consists of five locational attributes that are closely related to the intention to purchase or to rent a house. Youth generation considers various factors when evaluating housing options, including location, amenities or facilities such as hospitals, schools, public transport, grocery stores, malls (Mustapa and Razib, 2023). In addition, youth prefer to live close to their workplaces because they spend a lot of time commuting. The proximity of the house to the working and study places can lessen the usage of transportation fees. Location of a house and its distance to nearby facilities and interest points are significant factors that can influence house purchase decisions (Siew, 2022; Mang et al., 2020). Location is considered as the relative distance of the house from public amenities or facilities deemed important by young people (Muhammad Zamri et al., 2021). The close distance plays an important role while the youth do not need a long time to get the amenities and services. This is supported by a study conducted by Ismail et al. (2021) where in terms of housing location, most of the respondents chose housing in urban areas. On the contrary, rural areas are also a consideration as they offer lower housing costs and a more peaceful lifestyle. While city living offers unparalleled accessibility, convenience, and employment opportunities, it comes with higher property prices, smaller living spaces, and increased noise and pollution levels (Md, 2025). Another significant attribute is the coverage of internet networks. It is not necessarily whether they want to rent or buy a house, or rural versus urban location, youth nowadays prioritise locations with good internet infrastructure mainly because it directly affects their ability to work remotely, access to internet of things and even social relationships (Ng, 2022; Barnert et al., 2021). Apart from that, neighbourhood plays an important attribute too. The emphasis on the location of areas with a sense of safety, neighbourhood environment and community involvement

emphasise the importance of these elements in shaping their preferences for renting and buying a home. The social atmosphere of a neighbourhood, one's local involvement and one's social relations with neighbours as well as one's sense of community, privacy and safety are all important elements that provide social satisfaction for residents (Aksel and İmamoğlu, 2020).

Housing preferences

The second theme is related to housing preferences with two important attributes. Young people nowadays tend to like to have a very good first impression, so they want their house design to suit their taste so that they can give off a good first impression to other people (Mustapa and Razib, 2023). Site layout and design considerations include building orientation, parking requirements, landscaping, signage, and amenities to create an attractive and functional commercial development. Based on research conducted by Hasan et al. (2022) in Indonesia, researchers stated that natural resources, sacred space and beliefs, main access, Qiblah, thermal comfort, and disaster prevention influence Indonesian traditional housing orientation based on their closer inspection. From this, this shows that young people now prioritize houses that offer comfort because it influences and relates to their lifestyle. Research by Emma (2025) states that house orientation encompasses not only the physical placement of the structure but also the thoughtful design and arrangement of living and sleeping areas to optimize the advantages of sunlight and wind, while also shielding them from undesirable effects through passive design.

Financial stability

Lastly, theme 3 comprises the attributes from financial stability. Renting and buying a home are two major financial decisions that have significant implications for one's lifestyle and long-term financial stability. Deciding on buying a house is a crucial decision since housing expenses involve a large amount of cost in individual monthly expenses. In contrast to the house-owning option, for people who have a preference for occupying a rental house, the second level concerned have two types of choices, which are rental houses provided by the government and rental houses owned by a private institution. In other words, the factors mentioned cause some considerations to be made by youth whether they rent or buy a house nowadays. Not only that, another possible problem in house ownership is property price. Just as observed in the Malaysian House Price Index 2023 by the National Property Information Centre (NAPIC), the median house price in Malaysia for Q3 2023 is RM350, 174 which is an increase from the median price of RM330,000 in 2022. Likewise with the Housing Index in Q3 2023 which saw a small annual growth of 0.1% at 212.6 points (RM458,751 per unit). This is an increase from the Q3 2022 index point of 212.4. This shows that the increase in median property prices could be one of the factors in the perspectives of renting and owning houses in Malaysia. This study confirmed that similar results in research in Jakarta Indonesia also shows financial is significantly influence the millennial's housing purchase decision (Kurniawan et al., 2020). At the moment, the ability to own and pay a mortgage indicates the ability of youth to manage their finances effectively as studies show that youth spend approximately 30% of their income for rents, mortgage payments, utilities and property outgoings (Biljanovska et al., 2023). Thus, the decision of youth to rent a house is due to low income since income affordability can influence

the ability to buy and repay mortgage loans (Azmi ang Bujang, 2021; Sohaimi, 2021). Despite the current government policies and policies to provide affordable housing, it remains an issue for the youth group because some of their incomes are not able to afford the mortgage payments.

The findings regarding the intention to purchase or rent housing offer significant contributions and implications for the field of housing research, particularly concerning youth. Through a comprehensive analysis of the literature, findings from the review synthesis identified three primary themes that influence the housing decisions of young individuals: location suitability, housing preferences, and financial stability. Research by Zheng et al. (2019) supports the rental preferences and behaviors of the young generation in Jinan, China which identifies affordability, location, and social networks as similar key factors influencing choices of renting. It shows that young renters prioritize affordable housing options in desirable locations, which aligns with the identified themes of location suitability and financial stability. In addition, the findings of Sohaimi (2021) suggests that young individuals are increasingly considering affordability and desirable locations when making housing decisions, which aligns with broader trends in youth housing behavior. To enhance the clarity of the findings, these three factors are organised into a matrix table within the literature review, ensuring that all identified elements are both accurate and relevant to the inquiry into the attributes affecting youth housing intentions.

Conclusion

This study plays a crucial role in bridging the existing literature gap concerning the factors influencing youth in their housing decisions. By addressing this gap, we lay the groundwork for future research and facilitate informed decision-making in the realm of housing purchases and rentals. However, it is important to acknowledge certain limitations within this research. The literature search was conducted exclusively using the Scopus and Web of Science (WOS) databases, which may restrict the breadth of our findings. Future research should consider expanding the search to include other reputable databases, such as Google Scholar and the Excellence in Research for Australia (ERA), to capture a more diverse synthesis of literature. Moreover, the insights derived from our literature classification warrant further empirical investigation. Future studies could employ quantitative or qualitative methodologies to explore the perspectives of potential homebuyers, real estate investors, industry professionals, and other relevant stakeholders. This approach would enrich our understanding of the dynamics at play in the housing market and provide a more comprehensive view of the factors influencing youth housing decisions.

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Conflict of interest

The authors confirm that there is no conflict of interest involve with any parties in this research study.

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